

FORM OF CONDITIONS PRECEDENT REPORT

Conditions Precedent to Year 2, Quarter 4

Quarter ¹	Project/ Activity ²	Condition Precedent	Status ³	Relevant Documentation	Request for Deferral/Waiver and Justification
Program – Administrative					
Prior to initial disbursement	Schedule 1	Director and Analysts of Program Management Unit of MCAVanuatu are selected and approved by MCC and remain engaged, or in the event the position(s) are vacant, MCAVanuatu is actively recruiting for the position(s)	Satisfied	Employment Contract	
Prior to each disbursement beginning Year 1 Q3	Schedule 1	Environmental and Social Impact Officer for MCA-Vanuatu, to be located in the Ministry of Lands-Environment Unit, is selected and approved by MCC and remains engaged; or, in the event the position are vacant, MCA-Vanuatu is actively recruiting for the position	Satisfied	Employment Contract	
Prior to each disbursement beginning Year 1 Q2	Schedule 1	MCA-Vanuatu has adopted a Fiscal Accountability Plan approved by MCC, and such Fiscal Accountability Plan remains in full force and effect	Satisfied	Fiscal Accountability Plan	
Prior to each disbursement beginning Year 1 Q2	Schedule 1	MCA-Vanuatu has adopted an Audit Plan approved by MCC and such Audit Plan is current and updated	Satisfied	Audit Plan	
Prior to each disbursement beginning in Year 1 Q3	Schedule 1	MCA-Vanuatu has adopted a Procurement Plan approved by MCC, and such Procurement Plan remains in full force and effect	Satisfied	Up-Dated Procurement plan-July 2007	
Prior to each disbursement for any Project Activity beginning in Year 1 Q3	Schedule 1	MCA-Vanuatu has adopted a bid challenge system approved by MCC and such system remains in full force and effect	Satisfied	Bid challenge System	
Prior to each disbursement for any Project Activity beginning in Year 1 Q3	Schedule 1	MCA-Vanuatu has adopted procurement operations manual(s) approved by MCC and such manuals remain in full force and effect	Satisfied	Procurement Operations manual	
Prior to Year 1 Q3	Schedule 1	MCA-Vanuatu has procured the Data Quality Auditor	Satisfied		

¹ This column will display relevant Disbursement Period applicable to the MCC Disbursement Request.

² Table will follow the projects and activities set forth in the Disbursement Agreement.

³ Indicate whether condition is “satisfied,” “partially satisfied,” or “not satisfied.”

Prior to each disbursement beginning in Year 1 Q2	Schedule 1	MCA-Vanuatu shall execute an implementing entity agreement with the Department of Public Works in a form acceptable to MCC, which agreement shall be in full force and effect	Not satisfied		Deferral requested until Year 2, Quarter 4 Awaiting inclusion of legal language into the context of the agreement prior to signature.
Quarter immediately following the applicable date of such report	Section 3.3 b)	An audit report, providing financial information and review of compliance with the Fiscal Accountability Plan and Procurement Guidelines, in accordance with the Compact, Audit Plan and Audit Guidelines for the prior six (6) month period (to be delivered as a condition precedent for the quarter immediately following the applicable date of delivery of such report, as set forth in the current Audit Plan). Upon MCC's request, MCA-Vanuatu shall ensure simultaneous delivery by the Auditor of the audit report to MCA-Vanuatu, MCC and the Inspector General	Satisfied	First Audit report	First Audit report submitted to MCA-Vanuatu
	Section 3.5 d)	There has been (ii) actual compliance with the targets related to the M&E Plan specified in Schedule 1 to this Agreement, including any applicable reporting requirements for the relevant Disbursement Period	Not satisfied		Request deferral until Year 2, Quarter 4 Await completion of M&E surveys in order to comply with targets.
	Section 3.5 g)	MCA-Vanuatu has provided a satisfactory written response to any audit findings that have been issued prior to thirty (30) days before the date of the MCC Disbursement Request	satisfied		
Institutional Strengthening Activity					
Prior to disbursement in Q4 of Year 1	Schedule 1	PWD Service Performance Contract shall be executed and in full force and effect	Not satisfied		Deferral requested until Year 2, Quarter 4 Awaiting inclusion of legal language into the context of the Service Performance Agreement prior to signature.
Performance targets linked to annual disbursements in Q 1 of Years 2-5 (timing will depend on performance review and budget cycle)	Schedule 1	PWD Performance Contract: (i) PWD compliance with Service Performance Contract and annual action plan of the previous year	Satisfied		Deferral requested until Year 2, Quarter 4 Although the Performance Contracts has not been signed yet, PWD have continued to comply with requirements set forth as they are automatically part of the normal day to day operations of the department.
Performance targets linked to annual disbursements in Q 1 of Years 2-5 (timing will depend on performance review and budget cycle)	Schedule 1	PWD Performance Contract: (ii) The Government, via appropriation, to allocate adequate budgetary resources for road maintenance. The amount to be allocated will be based on the requirements specified in the in the Implementing Entity Agreement and be based on the progressive annual capacity requirements of PWD. This figure should also correspond with that provided in the detailed financial plans and the M&E plan and any amendments	Satisfied	Government of the Republic of Vanuatu- Budget 2007 Government of the Republic of Vanuatu – Budget 2007 Fiscal	

		thereof		Strategy Report	
Infrastructure Activity					
Prior to disbursement for any construction activity in Q1 of Year 2	Schedule 1	Baseline Traffic count survey data collected as described in the M&E Plan and summary tables prepared, and submitted to MCC	Not Satisfied		Deferral requested until Year 2, Quarter 4
Project 2A-Efate Ring Road, Project 2B- Santo East Coast Road, Project 2C- Tanna Whitesands Road, Project 2D – Malekula Norsup- Lits Lits Road, 2E- Pentecost North South Road, 2F- Malo Roads Up-Grade, 2G- Loltong Wharf and 2H- Remaining Four Infrastructure					
Prior to disbursement in Q1 of Year 2, or the revised construction commencement date	Schedule 1	<u>Community Maintenance Contracts</u> : Establishment of Maintenance Contracts with community representatives (with rural villages)	Satisfied	Community Maintenance Contracts	Community maintenance contracts have been obtained for all infrastructures in all islands around the country. These maintenance contracts also cover the proposed sub-project sites under the MCA-Vanuatu program.
Prior to initial disbursement for construction for this Infrastructure Subproject Activity	Schedule 1	MCA-Vanuatu provides evidence that any required resettlement action plan has been completed and implemented in accordance with WB Involuntary Resettlement Policy (OP 4.12), in a manner acceptable to MCC	Not Satisfied		Deferral requested until Year 3, Quarter 2
Prior to initial disbursement for construction for this Infrastructure Subproject Activity	Schedule 1	MCA-Vanuatu provides evidence that the environmental assessment for the Infrastructure Subproject Activities have been completed and are acceptable to MCC	Not Satisfied		Deferral requested until Year 3, Quarter 2
Prior to initial disbursement for construction for this Infrastructure Subproject Activity	Schedule 1	MCA-Vanuatu provides evidence that the Environmental Management Plans for the Infrastructure Subproject Activities have been completed and are acceptable to MCC	Not Satisfied		Deferral requested until Year 3, Quarter 2
Prior to initial disbursement for construction for this Infrastructure Subproject Activity	Schedule 1	MCA-Vanuatu provides a list of all permits necessary to perform the Infrastructure Subproject Activities, including any required environmental permits and related public disclosure and consultation, and certifies that such permits are on file and have been validly issued, are in full force and effect, and are non-appealable.	Not satisfied		<p>Deferral requested until Year 2, Quarter 4</p> <p>MCA Vanuatu has obtained the following Permits:</p> <ol style="list-style-type: none"> 1. foreshore development permit 2. physical planning permit <p>Assessments for land acquisition and cultural sites are pending preliminary designs from the Design and Build Contractor.</p> <p>A Final Draft Agreement between the Vanuatu Broad Casting Television Corporation (VBTC) and MCA-Vanuatu has recently been sent to MCC for review and No-Objection. The purpose of the agreement is to access services from VBTC to promote activities for the MCA-Program through national radio and television.</p>